

Statement of Chad Holliday

Chairman

E.I. DuPont de Nemours and Company, Inc

before the House Energy and Commerce Committee

April 22, 2009

Thank you, Chairman Waxman and Representative Barton for convening a hearing today on this important topic. I am pleased to be here representing DuPont. I am also here as a member of the U.S. Climate Action Partnership, a group of companies and NGOs who have come together to forge a consensus view regarding US action on the challenging issue of climate change. I would also like to applaud the draft bill we have before us today. It provides a sound basis for moving the US forward on this important issue and it reflects thought, deliberation and real leadership on the part of its authors. We look forward to working with you and your colleagues to further improve the bill as you move through the legislative process.

At DuPont our goal is sustainable growth, which we define as the creation of shareholder and societal value while reducing our environmental footprint along the value chains in which we operate. Our sustainable approach to climate change is informed, in part, by our experience with chlorofluorocarbons in the 1980s. When atmospheric research on ozone depletion led to the realization of the role of CFCs, we actively engaged in the development of the Montreal Protocol and an international agreement to phase out the use of CFCs. Our experience with the Montreal Protocol showed us the vital role for policy in creating a predictable pathway for change. With the Protocol in place we knew where we were headed and we put our science to work to get serious about phasing out CFCs and developing better replacement materials.

That experience helps inform our efforts today. DuPont and the other members of USCAP believe that the science on climate is sufficient to compel prudent action. Over the last twenty years DuPont has become more aware of the potential business and environmental implications of climate change, and we have looked for ways to contribute to solutions. In 1994 we publicly committed to voluntary global greenhouse gas reduction goals. Between 1990 and 2004 we reduced our own greenhouse gas emissions by 72% globally through a variety of efforts. By 2015, we will further reduce our greenhouse gas emissions by 15% from a base year of 2004. We have also committed to help our customers reduce their greenhouse gas emissions by providing products that help them do so, including our new automobile air conditioning refrigerant. This new product has one fifth of one percent the global warming potential of the current product in use. That is a 350 times improvement. And so the path we began many years ago with the Montreal Protocol of using science to deliver better solutions continues.

However, voluntary efforts alone will not solve the climate problem – we need sound policy that takes broad, coordinated, economically sustainable action across the entire economy. We need clear, strong and workable emission reduction goals that will show us the pathway to a low-carbon economy. And we need a cap-and-trade program that will allow a carbon market to emerge and focus our efforts on the emission reduction opportunities that offer the most environmental benefit for the lowest cost. The current economic situation has reminded us all of the importance of using our resources efficiently and wisely, and a federal climate program must be both environmentally effective and economically sustainable. At the same time, we cannot allow the current economic conditions to slow our efforts. I believe that this may be the single greatest opportunity to reinvent American industry, putting us on a more sustainable path forward. A federal climate program has the potential to create real economic growth through innovation.

DuPont will continue to do its part, working not only to further reduce our own footprint, but also by using our science to bring new products to market that help others reduce their emissions. Our sustainable solutions contribute to the growing alternative energy market, in windmills, photovoltaic solar cells and next generation biofuels. We create value-adding materials produced from agricultural feedstocks rather than petroleum, like our DuPont™ Sorona® polymer, and products that enable greater energy efficiency, such as next generation refrigerants and DuPont™ Tyvek® HomeWrap®. Effective climate legislation will provide companies like DuPont the certainty we need to increase our investment and accelerate development and deployment of technologies that will be critical to a low-carbon economy.

The diverse members of USCAP bring a range of perspectives to this coalition. That diversity has meant that consensus has at times been difficult to achieve and has required extensive analysis and deliberation. I have spent many hours with my USCAP colleagues in this endeavor, and our staffs many more. We have worked hard to resolve many of the difficult and often contentious issues that an effort of this magnitude will inevitably raise. In many, many areas we have made substantial progress. We believe that the consensus achieved by the members of USCAP, who represent a tremendous breadth of the US economy and civil society, provides a useful guide for policymakers such as yourselves who ultimately bear the responsibility of finding a politically viable solution and transforming ideas into law. This was the core idea behind the formation of USCAP, and we are pleased to see that many of the ideas we have developed are reflected in this bill. If the members of USCAP can reach this level of agreement we believe that the US Congress can as well, taking advantage of the natural leadership role for the US in addressing this serious global issue. If we don't lead, other countries will.

As a result of the time we have spent within USCAP deliberating these issues that you address in your bill, we have a greater appreciation for the complexity and magnitude of the task before you. Creating and implementing a comprehensive, effective climate change program will not be easy, but it is necessary, and the draft bill makes genuine progress. We appreciate your recognition of the inextricable linkages between climate

and energy policies that must provide the diverse and adequate low-carbon energy supplies we will need as we combine economic growth with greenhouse gas emission reductions. The legislation must encourage continued early actions to reduce emissions in the years before a federal climate program takes effect, and recognize the actions of those who have already taken steps to make voluntary reductions in their own greenhouse gas emissions. It must also drive innovation and open up new markets by funding aggressive technology research, development, demonstration, and deployment programs. And the bill must use policy tools, such as the sound use of offsets, to keep the costs of the program manageable while achieving our environmental goals.

In closing, DuPont has taken these actions and policy positions because they are the right things to do, both for business and the environment. We will continue to work hard to bring new products and technologies to market that will help address the global climate challenge. But business cannot solve the problem alone. Federal legislation will help create the marketplace that will drive innovation, economic growth, and environmental progress. DuPont is proud to be part of USCAP, which reflects both a growing group of businesses who believe that it is time for the US to take action on climate change and diverse NGOs working hand in hand to address this challenge. We appreciate this opportunity to exchange views with you, and look forward to working with you to enact effective legislation.